



Connecticut Chapter

March 1, 2012

Committee on Labor and Public Employees
Legislative Office Building
Hartford, CT 06106

Connecticut Associated Builders and Contractors (CT ABC) is an Association that represents Merit Contractors (non-union) in CT, which is approximately 85% of the Construction Workforce.

Associated Builders and Contractors (ABC) is a national association with 74 chapters representing 22,000 merit shop construction and construction-related firms with nearly two million employees. ABC's membership represents all specialties within the U.S. construction industry and is comprised primarily of firms that perform work in the industrial and commercial sectors of the industry.

CT ABC is the Connecticut Chapter of ABC.

CT ABC urges your support for SB-179, An Act Concerning Contractors, Subcontractors and Civil Action to Recover Unpaid Employee Wages and Benefits.

1. SB-179 would clarify Public Act 10-47

Public Act 10-47 was offered as a means of helping contractors collect funds due to them in a "double jeopardy" payment situation on prevailing wage projects. Double jeopardy could occur when a contractor, after paying a subcontractor 100% of what is owed by the contractor, receives a call from the CT Department of Labor that pension fund deposits were not made on behalf of the employees working for the subcontractor on the project. In some cases, DOL had the contractor make the employees "whole" with limited options for the contractor to seek restitution from the fraudulent subcontractor.

SB-179 would clarify that the contractor could seek restitution from the principles in addition to the subcontracting firm to get restitution on the double payment.

We would ask the Committee to consider amending 10-47 with the following clarifying language (underlined):

(g) Any contractor who is required by the Labor Department to make any payment as a result of a subcontractor's failure to pay wages or benefits, or any subcontractor who is required by the Labor Department to make any payment as a result of a lower tier subcontractor's failure to pay wages or

2138 Silas Deane Highway, Suite 101, Rocky Hill, CT 06067
Phone 860.529.5886 Fax 860.529.6778

benefits, may bring a civil action in the Superior Court [to recover] against such subcontractor or lower tier subcontractor, as the case may be, and any individual submitting a false certified payroll on behalf of such subcontractor or lower tier subcontractor. The subcontractor or lower tier subcontractor, as the case may be, and the individual submitting the false certified payroll shall be jointly and severally liable for no more than the damages sustained by reason of making such payment, together with costs and a reasonable attorney's fee.

Sincerely,

Lelah Campo
CT ABC President

